

Testimony of Lauren Meister
Before the House Committee on Energy and Commerce
Subcommittee on Oversight and Government Reform
“Premium Increases by Anthem Blue Cross in the Individual
Health Insurance Market”
February 24, 2010

Good morning. Lauren Meister, West Hollywood. Thank you for inviting me to speak today.

I’ve been a customer of Blue Cross of California, now Anthem, for over 17 years. I have always dealt with the company directly; not through an agent.

Like many people, in 2008, my income dropped substantially. At the time, I was paying a \$500 monthly premium for Anthem’s PPO 500 plan. I called Anthem in December of ’08 to see what other, less expensive plans were available. I expected the plan would have a higher deductible or co-pay but would still have the basic, necessary coverage.

The Anthem rep was aware of my budget, my medical history and age. At that time, I was almost 49. She recommended Anthem’s PPO 1500 plan, which was about \$1,000 less per year than the PPO 500 plan, so I switched.

Just a few months later, I received a notice from James Oatman, VP and General Manager of Anthem Blue Cross Individual (Western Region), that rates for the PPO 1500 plan were being increased in March of ’09 and that the new monthly premium would be \$528, even higher than what I’d been paying for the PPO 500 plan.

I paid the new premium until I spoke with friends about what plans they had. In October (’09), I called Anthem again, and asked them about the PPO 40 plan with brand Rx coverage, and the differences between that plan and the PPO 1500 plan, which they had recommended to me in ’08.

I was told by this Anthem rep that the main difference was that the PPO 40 plan had no deductible a lower monthly premium (\$373), but a higher co-pay (40%), and did not cover maternity, which, at 49, I probably didn’t need.

It was then that I realized that all these months, I’d been paying for a costly, unnecessary benefit, so I switched plans again and wrote a letter to James Oatman (dated October 21, 2009).

I copied Ms. Angela Braly, Ben Singer - Director of PR for Anthem Blue Cross of California, Senator Barbara Boxer and Congressman Henry Waxman. The only response I received was from Congressman Waxman.

In January 2010, James Oatman finally sent me a letter, but this was to inform me that my rates were being raised once again, from \$373 to \$516 per month – an increase of 38%.

The letter noted that I’d also have the option to change to a PPO 40 with generic Rx coverage only. This alternate plan would increase my premium by only 16%, as if a sixteen percent increase was a great savings.

Unfortunately, I take brand prescriptions for asthma: Accolate, Aerobid and Symbicort. Accolate will not be generic until probably 2011. Hopefully, I can hold my breath until then -- literally.

For the record, with the proper medication, my breathing capacity is nearly 100%. But, without the proper medication, I may end up needing more health care services, which ultimately, will increase medical costs for both me and my provider.

Some of you may be thinking, why not find another plan with a different health care provider? Pre-existing conditions, such as asthma, limit one's chances of being able to switch to a different health care provider, particularly if the goal is to lower the cost of the premium and still maintain coverage.

This is only one of many reasons why we need health care reform.

I read that Anthem's reasoning for increasing rates up to 39% was rising medical costs. In one respect, Anthem is right - it shouldn't cost \$20 for a hospital to administer an aspirin. But then again, Anthem's executive salaries do not appear to be suffering. And how much money goes to lobbyists -- lobbyists trying to prevent health care reform -- the same reform that Anthem indicates is necessary to keep health care costs from rising?

My issue with Anthem is shared by many, and is just a symptom of an unhealthy, broken system.

We have a system where prevention and wellness are not encouraged.

For example, because I was turning 50, my doctor prescribed a bone density test for a baseline measurement. Anthem Blue Cross did not cover one nickel of that test -- even though that test could determine if I have a propensity for osteoporosis. Penny wise, pound foolish.

It's obvious to me, the health care industry needs to be regulated.

We saw what deregulation did to the cost of utilities in California. We saw what the lack of regulation has done on a national level to our financial and banking system -- well, it's doing the same thing to our health care system.

The City of West Hollywood, where I live, regulates how much landlords can raise the rent each year to keep rents stabilized.

Why can't the federal government regulate how much health insurance companies can raise their rates per year, in order to stabilize premiums?

I believe that we all deserve affordable, competitively-priced coverage. If someone can afford to pay for private insurance, wonderful -- but if not, there has got to be a public option alternative, without having to move to England, France or Canada.

Some representatives from the Senate and House have stated that we don't need a public option. I say to them, I just want what you have -- nothing more, nothing less.

To me, insurance is like marriage; you expect the insurer to be with you in sickness and in health – that's why we buy insurance. If the insurer can't live up to this expectation, then perhaps they need to get out of the business of insuring.

(I see that Ms. Braly is here today. I'd love to know why no one from Anthem Blue Cross felt it necessary to answer my letter; and perhaps she'd like to respond now.)